

## **White Paper on how the property taxing structure and land use development interact in Teton County Idaho.**

**Teton County Planning & Building Department- May 2015**

Teton County saw unrepresented growth in the 1990's and early 2000's (population grew from 3,458 in 1990 to 10,170 in 2010)<sup>1</sup>. This growth placed increased demands on existing services, along with creating a need for additional services. In the public sector, or government, those services are paid with taxes. In Idaho, and specifically Teton County, property taxes account for 48%<sup>2</sup> of the revenue for 2014 fiscal year, paying for services such as road maintenance, police protection, licensing, building review and inspection, mapping, weed control, mosquito control, elections, among others. This paper seeks to explore the relationship of development (commercial and residential) with taxes and services. By understanding this relationship, we can make more informed choices about taxes, services, and development.

### **County Taxing System**

In the state of Idaho, "property taxes are used to pay for schools, cities, counties, local law enforcement, fire protection, highways, libraries, and more. The state oversees local property tax procedures to make sure they comply with Idaho laws. Most homes, farms, and businesses are subject to property tax. Taxes are determined according to a property's current market value minus any exemptions. For example, homeowners of owner-occupied property may qualify for a partial exemption."<sup>3</sup>

The amount of taxes paid by a community is determined by the budgetary needs of the taxing district. In 1995 the state of Idaho passed legislation that limited property tax funded budgets (such as Teton County) to the highest from the prior 3 years plus 3%<sup>4</sup>. This in essence froze the budgets of taxing entities, and limited their budgetary expansion to 3%. This is important to remember because even if a population of a community increases by 200% or if the cost of equipment, material, labor or providing a service increases by 10%, the county can only increase the budgeted amount (or amount collected) by 3% each year. Another point worth noting, is that the average yearly inflation rate since 1995 (when the 3% cap was put in place) is 2.375%<sup>5</sup>, so the allowed increase covers the amount of average inflation plus a .625% increase in cost of services or increase cost due to growth, supply or increased demand.

The county budgeting process works by first determining the amount of taxes needed to provide the necessary services. Once the total amount of taxes needed is identified, the amount of taxes paid by each individual property is determined based upon their market value, the uses of their land and the location of the land. In 2014 the total valuation for both real and personal property in Teton County was \$1,303,318,422. Of this amount, 11.25% (\$146,664,274) was in Agricultural Land, 6.6% (\$8,5634,557) was land in the Cities, 18.45% (\$240,514,640) was land in Rural Residential Subdivisions. The value of

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<sup>1</sup> [https://www.google.com/search?q=teton+county+idaho+poulation+change+1990-2015&rlz=1C1EODB\\_enUS584US584&oq=teton+county+idaho+poulation+change+1990-2015&aqs=chrome..69i57j69i64.12663j0j4&sourceid=chrome&es\\_sm=93&ie=UTF-8#q=teton+county+idaho+population+1990](https://www.google.com/search?q=teton+county+idaho+poulation+change+1990-2015&rlz=1C1EODB_enUS584US584&oq=teton+county+idaho+poulation+change+1990-2015&aqs=chrome..69i57j69i64.12663j0j4&sourceid=chrome&es_sm=93&ie=UTF-8#q=teton+county+idaho+population+1990)

<sup>2</sup> Teton County, Idaho- Independent Auditors' Report pg.8

<sup>3</sup> <http://tax.idaho.gov/i-1128.cfm>

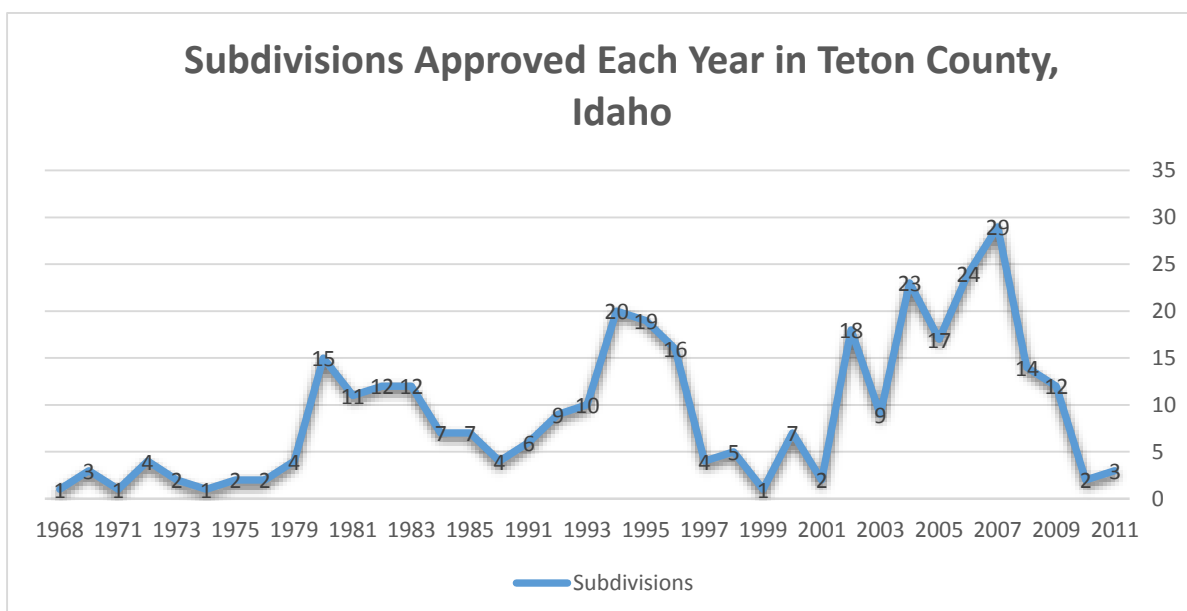
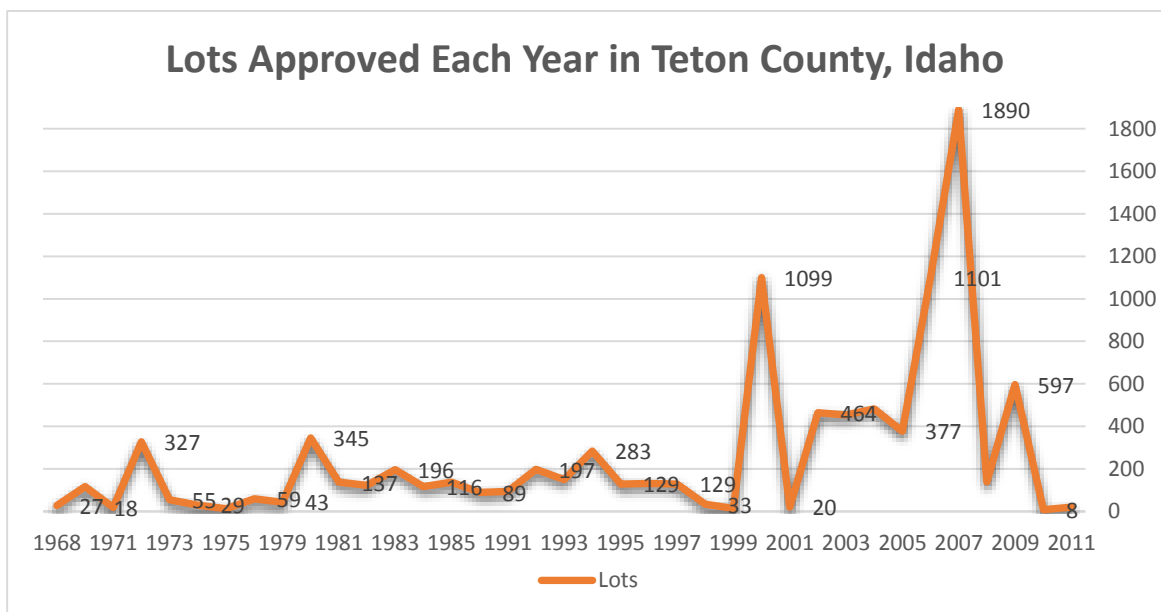
<sup>4</sup> [http://tax.idaho.gov/pubs/EPB00106\\_04-11-2014.pdf](http://tax.idaho.gov/pubs/EPB00106_04-11-2014.pdf)

<sup>5</sup> <http://www.usinflationcalculator.com/inflation/historical-inflation-rates/>

improvements, such as buildings, on that land includes 1.9% (\$25,284,163) on Agricultural Land, 27.9% (\$363,357,488) in Residential Subdivisions, and 4% (\$52428,761) in Commercial buildings. Even though the valuation of a certain type of building or type land may equal 10% of the total valuation of the county, it does not translate into that that category paying 10% of the taxes. Each category of land or improvement is taxed at a different rate. This levy rate does change every year with added buildings and the change in total taxes needed. As a whole Teton County has the 15<sup>th</sup> lowest combined tax levy rate (1.0870%), 20<sup>th</sup> lowest rural (1.0300%) and 9<sup>th</sup> lowest urban tax levy rate (1.2890%) among the 45 counties in Idaho.

### Land Development

In rural Teton County, land speculation and residential development began to increase at a rapid rate starting in the 1990's.



In 2007 alone, 1,890 new lots were created through 29 new subdivisions. That is a new subdivision every other week. Bear in mind that not all of these lots were completed the same year they were approved, or even at this time. As of 2010, only about 17% of the lots that had been created since 1990 were actually built on. That number is closer to 20% in 2015, meaning that 80% of the lots that have been created since 1990 have no buildings on them; they are still sitting vacant.<sup>6</sup>

### **Services Provided**

The purpose of local governments is to provide representation in decision making and services to the citizens. In Teton County, Idaho, property taxes are collected from property owners to pay for:

- Schools (Teton School District #401)
- Fire Protection (Teton County Fire District)
- Cemeteries (Bates, Cache-Clawson, Driggs-Darby, Felt, Haden and Victor Cedron)
- Libraries
- Mosquito Abatement
- Ambulance services
- County Services:
  - Roads/Public Works
  - Elections
  - Courts
  - Fair Grounds
  - Law Enforcement
  - Prosecuting Attorney
  - Property records
  - Vehicle/Driver licensing
  - Planning/Land Use services
  - Building services
  - Coroner
  - Weed control
  - Emergency Services
  - Solid waste
  - GIS Services
- City Services:
  - Roads
  - Public Works (water & sewer)
  - Parks
  - Business licensing
  - Planning/Land Use services
  - Building services
  - Community Development

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<sup>6</sup> Teton County GIS data.

As you can see, there are numerous service that compete for the property tax funds. With Teton County being a rural county, most of these services are rather small scale, or limited, in comparison to urban counties. There is often a single person responsible for multiple services. For example, currently, mosquito abatement and emergency services all fall under one position.

### Level of service

To understand the cost of development, we must understand the cost of the services provided by the county. There are several ways of determining the cost of the services. One way is to look at what the cost of each of the services per one acre of land. This is done by dividing the total cost of a service (determined by the yearly budget for that service) by the total number of acres served by that service. This approach may be helpful for commercial property, or property where the service is not tied to residents. Another approach to determine the cost of services is to divide the total cost of a service by the population receiving that service. This is helpful for most services because they are driven or needed for the residents that live here as opposed to the land that is within the county. This approach does assume that indirect costs (costs not attributed to a specific activity, such as maintenance of buildings, human resources, or supplies/stationary used by staff), and direct costs (building permit issuance and inspection, sheriff's response to a call, or grading of a specific road), should be averaged out over the population. The assumption is that as the number of citizens increase, the number of services provided would increase at a proportional rate.

<b>Table:1- Cost of Services Per Resident</b>	
<b>Service (Percentage of total taxes paid to this service)</b>	<b>Cost</b>
<b>Cemetery Budget (total of all cemeteries) (1.1%)†</b>	\$147,072.00
cost per resident (county average)	\$14.31
<b>Library Budget (1.6%)</b>	\$220,088.00
cost per resident	\$21.42
<b>Mosquito (1.9%)</b>	\$261,637.00
cost per resident	\$25.46
<b>Ambulance (3.6%)‡</b>	\$498,434.00
cost per resident	\$48.51
<b>R&amp;B Levy (7.2%)</b>	\$1,000,000.00
cost per resident	\$97.32
<b>Fire (14.2%)††</b>	\$1,970,063.00
cost per resident	\$191.73
<b>School (37.7%)</b>	\$5,249,080.00
cost per resident	\$510.86
<b>County (27.2%)</b>	\$3,785,311.00
cost per resident	\$368.40
<b>Cities (5.6%) ‡‡</b>	\$777,324.00
cost per resident (Driggs)	\$240.23
cost per resident (Tetonia)	\$93.15
cost per resident (Victor)	\$182.91
<b>Population*</b>	<b>10,275</b>
<b>Total Property taxes collected**</b>	<b>\$13,909,009.00</b>
†Each Cemetery has its own Levy Rate, This is the average of all the levy rates;	
‡The valuation of Agricultural Land is not included in the calculation of this amount;	
†† The valuation of Agricultural Land & Operating Land (Railroad or Utility) is not included in the calculation of this amount.	
‡‡Only land within city limits is included here.	
*US Census Bureau 2013 Estimate **Teton County 2013 (2014 FY) Budget amount	

Using this approach, the cost of services for Teton County residents (in the tax year 2013) can be found in Table 1.

It is important to remember that this is not necessarily how much each property pays, but rather how much those services cost per resident. Other entities, such as manufacturing and commercial properties, pay taxes as well, which would bring down the amount paid by each residential property.

### Examples of residential development

To better understand the cost of development, it is beneficial to examine several case studies, or examples, of subdivisions and their impact on taxes in the county. Four subdivisions were chosen with varying size, location, density, and year they were approved. The four subdivisions include:

1. Humble Creek Ranches - Approved in 1993, Humble Creek Ranches consists of 14 lots on just over 60 acres in the Victor Area of Impact. There was no open space dedicated when the subdivision was approved. The average lot size is 4.33 acres. As of 2015, eight (8) of the 14 lots have homes constructed on them.



2. Paradise Springs PUD- This subdivision was approved in 2006 with 9 lots on 34 acres. It is located in the southwest corner of Teton Valley. Nearly half of the subdivision, 15.81 acres, was dedicated as open space (both as part of the lots and as open space lots). The average lot size is 1.75 acres (excluding the open space). There are currently three (3) houses in this subdivision.



3. Red Fox Ranch- This is the oldest subdivision of the group, being approved in 1980 (it was amended in 2002 to adjust several property lines, but no lots were added). It consists of 33 lots on 67.25 acres located on Ski Hill Road just outside the Driggs Area of Impact. The average lot size is 1.37 acres, and there is no dedicated open space in the development. In 2015, there are 14 houses in this subdivision.



4. West Ridge Ranch PUD- Approved in 2007, this subdivision is located nearly due west from Tetonia off of 4000 North. It was approved to have 120 lots on 332.81 acres. Within the whole subdivision, there is 200.30 acres of open space (60.21%). Each lot in the subdivision is one (1) acre in size. There are currently six (6) homes constructed in this subdivision. The inability to find water for a second well has caused Idaho DEQ to put a limit of 20 connections on the single well until a second well can be approved.



### **Valuations and amount taxed**

After identifying which subdivisions to use as examples, the next step entailed working with the Teton County Assessor's office to determine what an accurate estimate for valuation would be on these subdivisions if they were left as agricultural land and if they were built out. To determine the valuation, there are several factors that must be considered. For agricultural land, the location and quality of the ground is key. For this exercise, the Assessor utilized valuations of surrounding properties to identify an accurate valuation. For the valuation of a subdivision at build out, the two main parts of determining this value include the valuation of the lot and the valuation of the structures. Because each of these subdivisions do have some buildings and improved residential lots, the Assessor used an average of the lot value and building value for each subdivision. This allows the calculations to be more accurate because they are based on the subdivisions specifically, not on county wide valuations.

The first step was to examine what the cost vs. amount paid in taxes would be if the subdivisions had been left as agricultural land. The cost was based on the "cost per residence" model identified above. This assumption does allow the agricultural land to have zero cost to the county. Below are the results for each of the subdivisions (the cemetery district's levy amounts differ because the property fall in different districts).

### **Agricultural Land**

The tables below show what the results would be, tax wise, if the subdivisions would have remained in agricultural production. Overall, there would have been a minor, but positive, net benefit to the county through property taxes. The margin of benefit is not great, especially on the smaller parcels, but you can see that there is a benefit to the county, mainly due to the lack of demand on the services provided.

Humble Creek Subdivision as Agricultural Land									
Acres		60.67	Density		0	units/acre			
Residences		0	Population increase		0	people			
Valuations			Land Valuation	\$12,721.08	per lot	\$12,721.08	Improvement Valuation	\$ -	
<b>Service</b>	<b>Cemetery</b>	<b>Library</b>	<b>Mosquito</b>	<b>Ambulance</b>	<b>R&amp;B Levy</b>	<b>Fire</b>	<b>School</b>	<b>County</b>	
Levy Amount	0.000161021	0.000168239	0.0002	-	0.000749823	-	0.003961409	0.002893557	
Taxes paid	\$2.05	\$2.14	\$2.54	-	\$9.54	-	\$50.39	\$36.81	
Cost		Property Cost			Property Taxes Paid			Gain/Loss	
<b>Cemetery</b>	\$147,072.00		\$0.00			\$2.05			\$2.05
cost per resident	\$14.31								
<b>Library</b>	\$220088.00		\$0.00			\$2.14			\$2.14
cost per resident	\$43.53								
<b>Mosquito</b>	\$261,637.00		\$0.00			\$2.54			\$2.54
cost per resident	\$25.46								
<b>Ambulance</b>	\$498,434.00		\$0.00			-			-
cost per resident	\$48.51								
<b>R&amp;B Levy</b>	\$1,000,000.00		\$0.00			\$9.54			\$9.54
cost per resident	\$97.32								
<b>Fire</b>	\$1,970,000.00		\$0.00			-			-
cost per resident	\$191.73								
<b>School</b>	\$5,249,080.00		\$0.00			\$50.39			\$50.39
cost per resident	\$510.86								
<b>County</b>	\$3,785,311.00		\$0.00			\$36.81			\$36.81
cost per resident	\$368.40		\$0.00						
	<b>Total Cost</b>		\$0.00	<b>Total Taxes Paid</b>	<b>\$103.47</b>				<b>\$103.47</b>



Paradise Springs PUD Subdivision as Agricultural Land									
Acres		34	Density		0	units/acre			
Residences		0	Population increase		0	people			
Valuations			Land Valuation	\$8489.80	per lot	\$8489.80	Improvement Valuation	\$ -	
<b>Service</b>	<b>Cemetery</b>	<b>Library</b>	<b>Mosquito</b>	<b>Ambulance</b>	<b>R&amp;B Levy</b>	<b>Fire</b>	<b>School</b>	<b>County</b>	
Levy Amount	0.000161021	0.000168239	0.0002	-	0.000749823	-	0.003961409	0.002893557	
Taxes paid	\$2.05	\$2.14	\$2.54	-	\$9.54	-	\$50.39	\$36.81	
Cost			Property Cost			Property Paid			Gain/Loss
<b>Cemetery</b>	\$147,072.00		\$0.00			\$ 1.67			\$ 1.67
cost per resident	\$14.31								
<b>Library</b>	\$220088.00		\$0.00			\$ 1.43			\$ 1.43
cost per resident	\$43.53								
<b>Mosquito</b>	\$261,637.00		\$0.00			\$ 1.70			\$ 1.70
cost per resident	\$25.46								
<b>Ambulance</b>	\$498,434.00		\$0.00			\$ -			\$ -
cost per resident	\$48.51								
<b>R&amp;B Levy</b>	\$1,000,000.00		\$0.00			\$6.37			\$6.37
cost per resident	\$97.32								
<b>Fire</b>	\$1,970,000.00		\$0.00			\$ -			\$ -
cost per resident	\$191.73								
<b>School</b>	\$5,249,080.00		\$0.00			\$33.63			\$33.63
cost per resident	\$510.86								
<b>County</b>	\$3,785,311.00		\$0.00			\$24.57			\$24.57
cost per resident	\$368.40		\$0.00						
	<b>Total Cost</b>		<b>\$0.00</b>	<b>Total Taxes Paid</b>		<b>\$69.36</b>			<b>\$69.36</b>

Red Fox Subdivision as Agricultural Land									
Acres		67.25	Density		0	units/acre			
Residences		0	Population increase		0	people			
Valuations			Land Valuation	\$10,262.67	per lot	\$10,262.67	Improvement Valuation	\$ -	
<b>Service</b>	<b>Cemetery</b>	<b>Library</b>	<b>Mosquito</b>	<b>Ambulance</b>	<b>R&amp;B Levy</b>	<b>Fire</b>	<b>School</b>	<b>County</b>	
Levy Amount	0.000161021	0.000168239	0.0002	-	0.000749823	-	0.003961409	0.002893557	
Taxes paid	\$ .80	\$1.73	\$2.05	-	\$ .08	-	\$40.65	\$29.70	
Cost			Property Cost			Property Paid			Gain/Loss
<b>Cemetery</b>	\$147,072.00		\$0.00			\$ .80			\$ 1.67
cost per resident	\$14.31								
<b>Library</b>	\$220088.00		\$0.00			\$ 1.73			\$ 1.43
cost per resident	\$43.53								
<b>Mosquito</b>	\$261,637.00		\$0.00			\$ 2.05			\$ 1.70
cost per resident	\$25.46								
<b>Ambulance</b>	\$498,434.00		\$0.00			\$ -			\$ -
cost per resident	\$48.51								
<b>R&amp;B Levy</b>	\$1,000,000.00		\$0.00			\$7.70			\$6.37
cost per resident	\$97.32								
<b>Fire</b>	\$1,970,000.00		\$0.00			\$ -			\$ -
cost per resident	\$191.73								
<b>School</b>	\$5,249,080.00		\$0.00			\$40.65			\$33.63
cost per resident	\$510.86								
<b>County</b>	\$3,785,311.00		\$0.00			\$29.70			\$24.57
cost per resident	\$368.40		\$0.00						
	<b>Total Cost</b>		<b>\$0.00</b>	<b>Total Taxes Paid</b>		<b>\$95.11</b>			<b>\$95.11</b>

West Ridge Ranch PUD Subdivision as Agricultural Land									
Acres		332.81	Density		0	units/acre			
Residences		0	Population increase		0	people			
Valuations			Land Valuation	\$74,839.63	per lot	\$74,839.63	Improvement Valuation	\$ -	
<b>Service</b>	<b>Cemetery</b>	<b>Library</b>	<b>Mosquito</b>	<b>Ambulance</b>	<b>R&amp;B Levy</b>	<b>Fire</b>	<b>School</b>	<b>County</b>	
Levy Amount	0.000161021	0.000168239	0.0002	-	0.000749823	-	0.003961409	0.002893557	
Taxes paid	\$ .80	\$1.73	\$2.05	-	\$ .08	-	\$40.65	\$29.70	
Cost		Property Cost			Property Paid			Gain/Loss	
<b>Cemetery</b>	\$147,072.00		\$0.00			\$14.72			\$14.72
cost per resident	\$14.31								
<b>Library</b>	\$220088.00		\$0.00			\$ 12.59			\$ 12.59
cost per resident	\$43.53								
<b>Mosquito</b>	\$261,637.00		\$0.00			\$ 14.97			\$ 14.97
cost per resident	\$25.46								
<b>Ambulance</b>	\$498,434.00		\$0.00			\$ -			\$ -
cost per resident	\$48.51								
<b>R&amp;B Levy</b>	\$1,000,000.00		\$0.00			\$ 56.12			\$ 56.12
cost per resident	\$97.32								
<b>Fire</b>	\$1,970,000.00		\$0.00			\$ -			\$ -
cost per resident	\$191.73								
<b>School</b>	\$5,249,080.00		\$0.00			\$ 296.47			\$ 296.47
cost per resident	\$510.86								
<b>County</b>	\$3,785,311.00		\$0.00			\$216.55			\$216.55
cost per resident	\$368.40		\$0.00						
	<b>Total Cost</b>		<b>\$0.00</b>	<b>Total Taxes Paid</b>	<b>\$758.07</b>				<b>\$758.07</b>

## **Residential Land**

The next step is to examine these same subdivisions at build out. This will identify the per-citizen cost and what amount of taxes are paid to offset those costs, for each particular development. Once again, the data from the Assessor's office was used to determine the valuation of the whole subdivision as well as the average valuation for the buildings currently located within the subdivision.

Please keep in mind that this analysis is using averages. Not every individual or household uses the services provided the same. Some have never called out an ambulance, and some have an ambulance at their homes regularly. A simple average of, the budget amount for the service to be provided divided by the number of citizens, was used to determine the cost to each citizen. This is a basic approach and does not account for things like the distances traveled, the individuals served, the individual needs of those who are served, or the time when services are used. This disclosure is important to understand. The information being provided is to show the general impacts (based on averages) of development in the county and not determine the specific impact of each new individual.

With that in mind, the following tables identify the incurred cost of the four (4) developments to the county, the valuation of those projects (and lots), the taxes paid by the lots in those developments, and the net gain/loss to the county through property taxes.

It may be surprising to see the fiscal impact development has on the county. With the current taxing structure in Teton County and the State of Idaho, each new residence costs the county \$1,118.47 a year (based on these four (4) subdivisions). Granted, impact fees will help offset the costs for the first year, but every year after that, there is a running loss.

The largest loss in each subdivision comes to the schools, followed by Teton County. In two of the subdivisions, the cemetery taxing district did appear to make money, but that may be due to the fact that the average cost was determined using the county as a whole and not the individual cemetery districts.





Red Fox Ranch Subdivision											
Acres		67.25		Density		2.04	units/acre	Average lot size		2.42	acre
Residences		33		Population increase		95					
Valuations		Land Valuation	\$ 1,282,000.00		per lot	\$ 75,411.76	Improvement Valuation	\$ 2,805,000		per lot	
Service	Cemetery Driggs/Darby	Library	Mosquito	Ambulance	R&B Levy		Fire	School		County	
Levy Amount	.000079919	0.000337076	0.0002	0.0004		0.000749823		0.00155954		0.003961409	
Taxes paid	\$ 326.63	\$ 1,377.63	\$ 817.40	\$ 1,634.80		\$ 3,064.53		\$ 6,373.84		\$ 16,190.28	
Cost			Property Cost			Property Taxes Paid			Gain/Loss		
Cemetery Budget (total of all cemeteries)	\$ 147,072.00		Residents								
cost per resident (county average)	\$ 14.18		95								
			\$ 1,343.26			\$ 537.62			-\$ 805.64		
Library Budget	\$ 447,268.00		Residents								
cost per resident	\$ 43.13		95								
			\$ 4,085.05			\$ 2,267.51			-\$ 1,817.54		
Mosquito	\$ 265,000.00		Residents								
cost per resident	\$ 25.56		95								
			\$ 2,420.33			\$ 1,345.40			- \$ 1,074.93		
Ambulance	\$ 503,772.00		Residents								
cost per resident	\$ 48.58		95								
			\$ 4,601.12			\$ 2,690.80			-\$ 1,910.32		
R&B Levy	\$ 1,000,000.00		Residents								
cost per resident	\$ 96.43		95								
			\$ 9,133.33			\$ 5,022.86			- \$ 4,110.47		
Fire	\$ 1,987,000.00		Residents								
cost per resident	\$ 191.62		95								
			\$ 18,147.93			\$ 10,710.35			- \$ 7,437.58		
School	\$ 5,285,029.00		Residents								
cost per resident	\$ 509.66		95								
			\$ 48,269.92			\$ 26,710.42			- \$ 21,559.50		
County	\$ 900,000.00		Residents								
cost per resident	\$ 376.10		95								
			\$35,619.99			\$ 19,948.62			- \$ 15,671.38		
	Total Cost to the County		\$ 123,620.93		Taxes Paid	\$ 69,223.57			Total loss/year	-\$ 54,387.36	
		Per Unit	\$3,764.09		Per Unit	\$ 2,097.99			Per unit	-\$ 1,648.10	
Population	10,324	These numbers assume NO homeowner exemptions are provided.									





[illegible]

## Roads

When it comes to roads, a specific analysis of how new development will affect each of the roads is warranted. The table below identifies the types and distances of road each development utilizes for access (off of a State Highway), as well as the number of trips at build out. Also, by utilizing the traffic counts that Teton County has acquired over the last few years, we have an understanding of what current traffic patterns are on these roads. By combining this information, we can gain a clearer picture of what impact a new development will have on the roads. West Ridge Ranch PUD does have the largest impact on the roads mainly because 1) it has the most number of units and 2) it is the second furthest away from a highway at 8.46 miles. At build out, the lifecycle of the road would go from six (6) years (as it is today) to just over 2 years. That means 4000 North would have to be rebuilt every other year, as opposed to every six (6) years as it is currently scheduled. At the other end of the spectrum, Humble Creek only utilizes 0.4 miles of road off of a State Highway. At build out, there is a decrease of three (3) months of the life cycle, but the taxpayers in that development are actually subsidizing the roads for other developments, such as West Ridge Ranch.

Subdivision	Red Fox (Build Out)	West Ridge (Build Out)	Paradise Springs (Build Out)	Humble Creek (Build Out)
Units	33	120	9	14
Average Daily Trip Rate	6	6	6	6
Average NEW Daily Trips	198	720	54	84
Asphalt	(Ski Hill)		(Bates)	
Miles	3.27		9.75	
Existing Trips	*		843	
New Trips	198		54	
Total Trips	*		897	
Old Life Cycle	240		240.00	
New Life Cycle	192.38		224.82	
Old Cost per Month	\$ 11,611.74		\$ 34,622.17	
New Cost Per Month	\$ 14,485.65		\$ 36,959.17	
	Red Fox (Build Out)	West Ridge (Build Out)	Paradise Springs (Build Out)	Humble Creek (Build Out)
Chip Seal		(4000 N)		(2000 W.)
Miles		7.52		0.4
Existing Trips		189		140
New Trips		720		84
Total Trips		909		224
Old Life Cycle (Months)		72		72
New Life Cycle (Months)		26		69
Old Cost per Month		\$ 13,645.48		\$ 725.82
New Cost Per Month		\$ 38,207.34		\$ 752.78
	Red Fox (Build Out)	West Ridge (Build Out)	Paradise Springs (Build Out)	Humble Creek (Build Out)
Gravel		(8000 W)		
Miles		0.94		
Existing Trips		56		
New Trips		720.00		
Total Trips		776.00		
Old Life Cycle		84		
New Life Cycle		30.00		
Old Cost per Month		\$ 911.28		
New Cost Per Month		\$ 2,551.57		
	Red Fox (Build Out)	West Ridge (Build Out)	Paradise Springs (Build Out)	Humble Creek (Build Out)
Total New Cost per Year	\$ 173,827.79	\$ 489,106.95	\$ 443,509.98	\$ 9,033.39
Total Cost/Year for new subdivision	\$ 34,486.88	\$ 314,425.89	\$ 28,043.96	\$ 323.51
Road taxes paid/year	\$ 5,022.86	\$ 15,691.31	\$ 2,239.00	\$ 2,891.88
Difference for Whole Subdivision/Year	\$ - 29,464.01	\$ - 298,734.58	\$ -25,804.96	\$ 2,568.37
Difference Per unit/Year	\$ - 892.85	\$ - 2,489.45	\$ - 2,867.22	\$ 183.46
Assumptions: Life Cycle Based on Maximum number of ADT; * no counts on ski hill				

### Residential Development vs. Commercial Development

The other area that needs attention is the comparison between commercial development and residential development. When it comes to the cost incurred to the county from these two types of developments, it is not an easy straight comparison. The previous analysis on residential development utilized the number of residents to determine the cost of services. Commercial developments do not have residents, so a cost by acre approach was utilized. This determines the basic cost of services for the county for each acre of private land. Utilizing this approach, we can compare the cost of services incurred by residents versus the cost of services incurred by commercial development. This approach does not take into account specific attributes of the businesses, such as if they place a higher demand on the services than any other business. This approach also considers the demand on services equal for every type of use, so a commercial acre, residential acre, and agricultural acre all have the same demand.

The first table is a comparison of residential land cost per acre and the commercial land cost per acre. Here again, the cost incurred for residential developments comes from the number of citizens rather than the acreage. It does demonstrate the impact under our current taxing structure of developing residential land versus commercial land.

The second table compares side by side the amount of taxes paid for each service, the cost incurred by the property (or residents), the difference between the cost and what was paid, and finally the tax rate for each of the properties. The data shows that commercial developments incur a much smaller cost than the residential developments, while paying more in taxes.

<b>Comparison of Residential and Commercial Development (per acre)</b>		
	<b>Residential</b>	<b>Commercial</b>
Total Acre	494.73	110.182
New units	160	
Average Acres/Development	123.6825	22.0364
Average Density	3.0920625	
Total Cost	\$ 649,244.68	\$ 9,204.71
Average Cost/Development	\$ 162,311.17	\$ 1,840.94
Average Cost per unit	\$ 4,057.78	
Cost/Acre	\$ 1,312.32	\$ 83.54
Total Taxes	\$ 358,856.00	\$ 84,752.82
Taxes/unit	\$ 2,242.85	
Taxes/Acre	\$ 725.36	\$ 769.21
<b>Gain/Loss per Acre</b>	<b>\$ - 586.96</b>	<b>\$ 685.67</b>
<b>Gain/Loss per Res. unit</b>	<b>\$ - 1,814.93</b>	

Residential vs. Commercial Development										
Name		Red Fox	Longhorn	West Ridge	Valley Lumber	Paradise Springs	Kings	Humble Creek	MD Nursery	Wardrobe
Acreage		45.21	10	329.69	4.15	37.4	2.01	56.04	93.315	0.707
Additional Cost Based on residents		\$123,620.93		\$438,961.01		\$33,940.24		\$52,722.49		
Cities	Varies				\$ 360,514.00		\$ 378,159.00			\$ 378,159.00
cost per acre					\$ 163.75		\$ 214.08			\$ 214.08
Tax amount					\$ 679.57		\$ 430.31			\$ 151.36
Cemetery	Varies	\$30,989.00	\$30,989.00	\$7,503.00	\$89,319.00	\$89,319.00	\$30,989.00	\$89,319.00	\$30,989.00	\$30,989.00
cost per acre		\$1.12	\$1.12	\$0.30	\$3.16	\$3.16	\$1.12	\$3.16	\$1.12	\$1.12
Tax amount		\$75.25	\$11.19	\$99.20	\$13.11	\$107.44	\$2.25	\$191.71	\$104.42	\$0.79
Library	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00	\$447,268.00
cost per acre	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37	\$2.37
Tax amount		\$159.29	\$23.69	\$788.28	\$9.83	\$80.53	\$4.76	\$143.70	\$221.02	\$1.67
Mosquito	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00	\$265,000.00
cost per acre	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Tax amount		\$94.37	\$14.03	\$467.05	\$5.82	\$47.71	\$2.82	\$85.14	\$130.95	\$0.99
Ambulance	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00	\$503,772.00
cost per acre	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67
Tax amount		\$179.41	\$26.68	\$887.87	\$11.07	\$90.70	\$5.36	\$161.85	\$248.94	\$1.89
R&B Levy	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00
cost per acre	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30
Tax amount		\$356.13	\$52.96	\$1,762.44	\$21.98	\$180.05	\$10.64	\$321.29	\$494.16	\$3.74
Fire	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00	\$1,987,000.00
cost per acre	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52	\$10.52
Tax amount		\$707.63	\$105.22	\$3,501.96	\$43.67	\$357.76	\$21.15	\$638.39	\$981.90	\$7.44
School	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00	\$5,285,029.00
cost per acre	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99	\$27.99
Tax amount		\$1,882.16	\$279.88	\$9,314.54	\$116.15	\$951.58	\$56.25	\$1,698.00	\$2,611.66	\$19.79
County	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00	\$3,900,000.00
cost per acre	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65
Tax amount		\$1,388.91	\$206.53	\$6,873.51	\$85.71	\$702.20	\$41.51	\$1,253.01	\$1,927.23	\$14.60
Cost based on acres	\$70.90	\$4,843.16	\$720.17	\$23,694.84	\$986.91	\$2,517.98	\$575.06	\$4,493.11	\$6,720.29	\$202.27
Cost based on residents		\$123,620.93		\$438,961.01		\$33,940.24		\$52,722.49		
Actual Paid		\$68,914.00	\$2,972.12	\$218,952.00	\$14,316.38	\$31,063.00	\$28,584.12	\$39,927.00	\$27,704.66	\$11,175.54
Difference		-\$54,706.93	\$2,251.95	-\$220,009.01	\$13,329.47	-\$2,877.24	\$28,009.06	-\$12,795.49	\$20,984.37	\$10,973.27
Valuation		\$6,727,000.00	\$249,150.00	\$21,015,000.00	\$942,270.00	\$2,998,640.00	\$2,091,660.00	\$3,856,754.00	\$4,009,655.00	\$757,390.00
Tax Rate		1.024%	1.193%	1.042%	1.519%	1.036%	1.367%	1.035%	0.691%	1.476%

## Conclusion

The purpose of this paper is to provide information about our current taxing system and the fiscal impacts of development specifically in Teton County, Idaho. The data was gathered from Teton County, U.S. Census Bureau, State of Idaho, and other professional sources (traffic counts came from nationally accepted numbers). The data presented was only of presenting this data and analyzing it. There may be other ways that are more or less accurate, but this approach seemed to be the best based on the available data.

Some of the key findings that are important to remember as we make land use decisions include:

1. The State of Idaho limits the amount of budget increase to 3% every year, no matter what the population increase is.
2. Nearly 80% of the lots created since 1990 are currently sitting vacant.
3. Mainly due to the lack of demand on services Agricultural land produces a small positive return on taxes.
4. With each new residence the county there is an additional cost of services/taxes collected difference of - \$1,118.47 (based on the four case studies).
5. The distance off of the highway, and number of trips created to in fact negatively impact maintenance costs.
6. The school district experiences negative returns on the county property tax portion of their budget with increased population.
7. Commercial property tax returns at a much higher rate then residential property taxes.

By understanding the fiscal impacts of development, better decisions can be made to protect the taxpayers of Teton County and the character of the county. By no means is this paper supporting the idea of stopping development or only approving commercial development. The purpose of this work was to help clarify the picture of what happens when development is approved.